IRIS METALS

ASX:IR1 - ASX RELEASE I 11 JANUARY 2024

IRIS SECURES HISTORICAL TIN MOUNTAIN PATENTED CLAIM

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HIGHLIGHTS

- **Binding agreement executed enabling access and exploration rights to the historic Tin Mountain property.**
- **Agreement allows for an initial 3-year period of access, with the right to purchase thereafter.**
- **The Tin Mountain Mine is renowned for very large crystals of spodumene visible in the walls of the stopes and underground drives.**
- **Spodumene was mined at Tin Mountain during the 1940's.**
- **IRIS will apply for drilling and mining licences over Tin Mountain to commence drilling at the Tin Mountain Project as soon as possible.**
- **Tin Mountain, with exploration success, is expected to provide additional feed to a centralised processing plant based around the main Beecher Project.**
- **Delays in assay results from SGS Canada have continued to frustrate exploration with results from 12 RC holes remaining pending. Iris has now completed 13 diamond holes with samples from 7 holes dispatched to the lab for analysis.**
- **An additional 248 drill holes have been approved to 400m depth at the Beecher Project.**

IRIS TECHNICAL DIRECTOR CHRIS CONNELL SAID: *"IRIS had identified the Tin Mountain patented property as a valuable project with near term development potential during our first visit to the Black Hills. We are pleased that we now have a binding agreement over this historic lithium spodumene mine. Previous mining of the spodumene was on a very small scale. However, spodumene mineralization is clearly visible in the walls of the stope, whilst historic drill hole data suggests that mineralization is open. The proximity of Tin Mountain to our priority Beecher Project will add to the economics of constructing a central spodumene processing facility near Custer to process ores from the patented Beecher, Edison and Tin Mountain projects, together with additional acquisitions and any future discoveries on IRIS' BLM claims."*

IRIS Metals Limited (ASX: IR1) is pleased to announce the securing of the Tin Mountain patented properties.

Tin Mountain Mine

The historic Tin Mountain Mine is located 12km from Iris's main Beecher Project (Figure 1). It represents a 6.25ha patented mining claim.

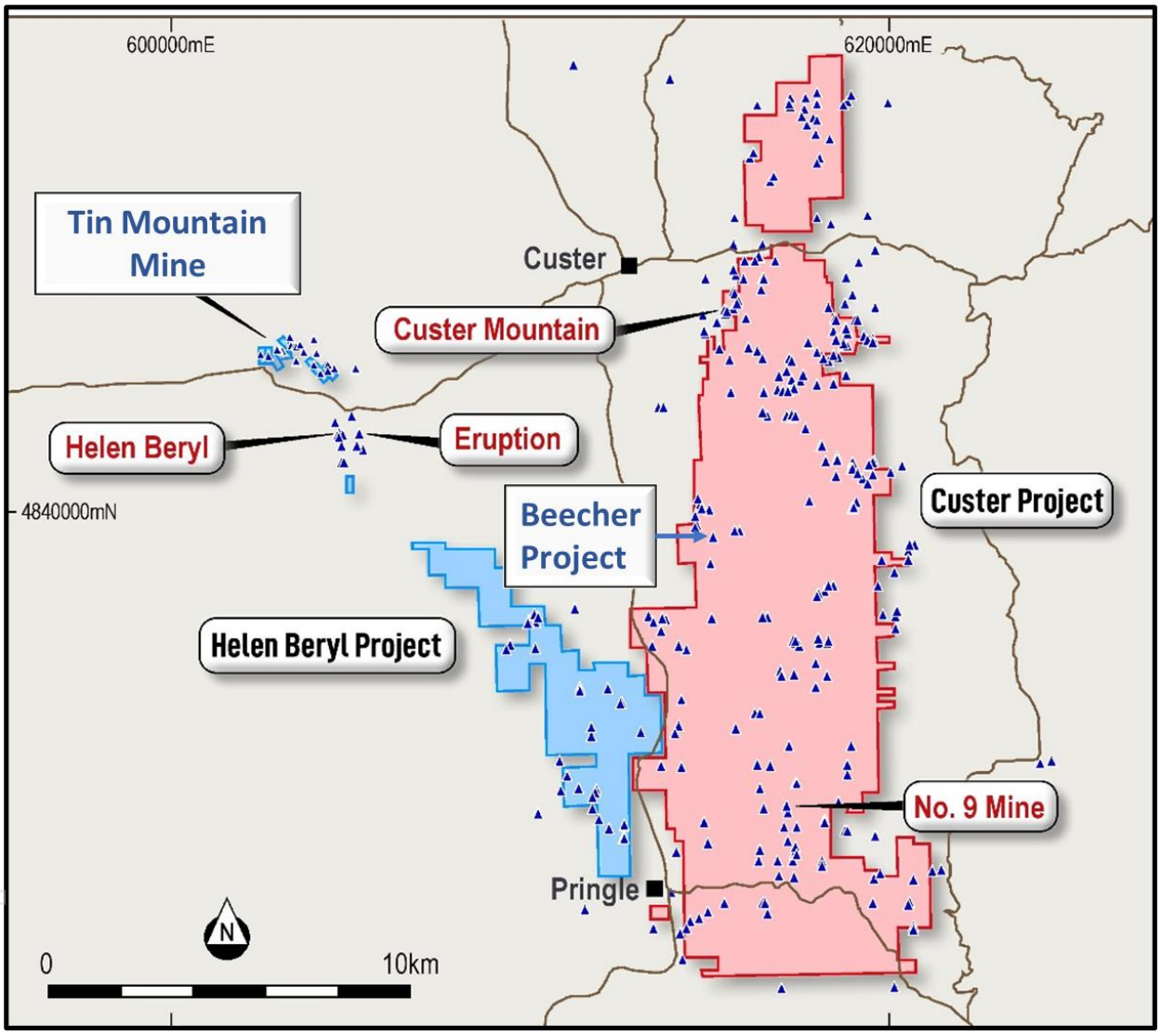

Figure 1: Location of the Tin Mountain Mine – 12km from IRIS' Beecher Project.

The Tin Mountain Mine was originally patented in 1889 by the Tin Mountain Co. It was recognized as a mineralized zoned pegmatite and was originally mined for tin and beryllium then later for the lithium spodumene in 3 pits with underground stopes. The Tin Mountain Mine is famous for very large crystals of spodumene visible in the exposed pegmatite. Spodumene mineralization is very evident in the wall rock of the historic adits **(Figure 2).** Whilst historic records document 6 diamond holes into the Tin Mountain Mine, the samples were not assayed for lithium. The geology logs of these diamond holes document spodumene-rich core and outer-core zones of the Tin Mountain pegmatite **(Figure 3)**.

Figure 2: Large spodumene crystals present in the walls of the historic adit in the pegmatite.

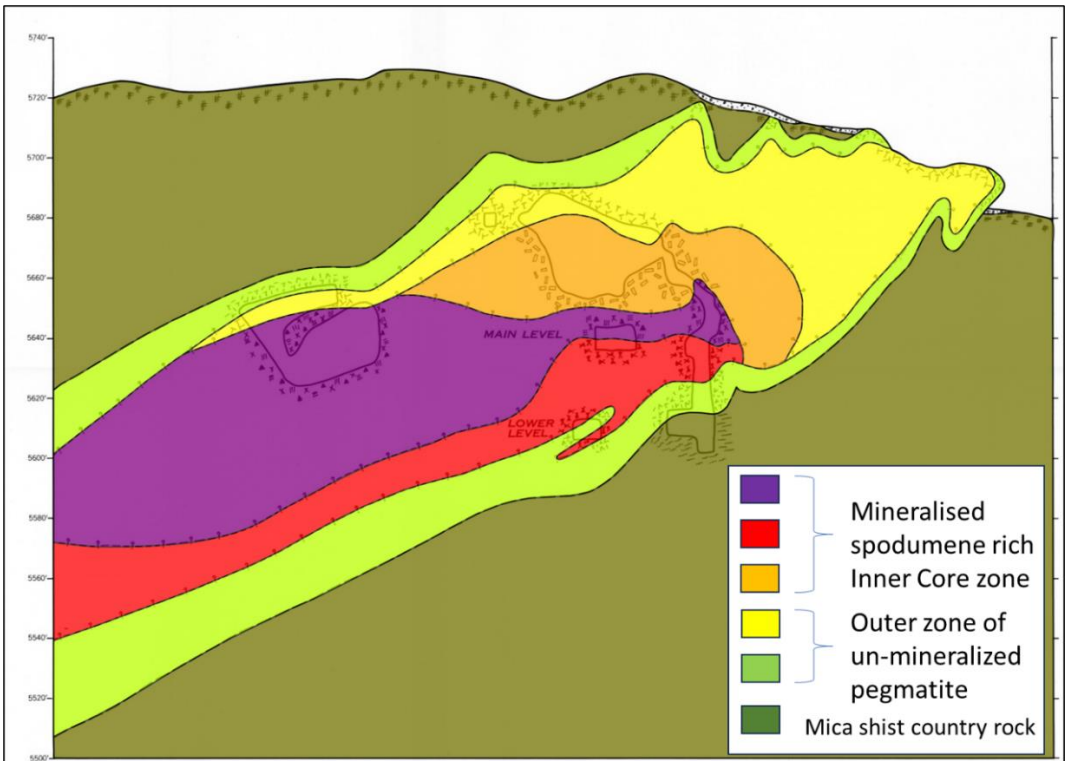

Figure 3: Schematic interpreted geological cross section of the Tin Mountain pegmatite reproduced from a 1963 geology report published by USGS*".
* Exploration for Beryllium at the Helen Beryl, Elkhorn and Tin Mountain pegmatites, Custer County, South Dakota. USGS report 297-C.

Discussion

The binding agreement for the Tin Mountain mine is part of IRIS' strategy to secure a majority of the historic lithium mines in the Black Hills of South Dakota, making IRIS the dominant holder of lithium BLM and patented claims. Tin Mountain Mine recorded lithium production in the 1940's and has visible lithium spodumene mineralisation visible in the mine walls. IRIS will drill test the along strike and down dip extensions of the Tin Mountain pegmatite to establish the size of the resource. If successful, Tin Mountain will represent an additional "satellite" lithium deposit providing feed material for a centralised processing facility.

Permitting and Further Information on Mine Licencing in South Dakota

At the state level, there are three types of permits or licenses that cover mining. The type of permit or license required depends on the mineral to be extracted. Those are:

- Small Scale Mine Permit,
- Large Scale Mine Permit; and
- Mine License.

The mining of most minerals will fall under either the Small Scale Mine Permit or the Large Scale Mine Permit.

Whether a Small Scale Mine Permit or a Large Scale Mine Permit is required depends on the number of affected acres and the amount of ore or overburden removed per calendar year. In order to qualify under a Small Scale Mine Permit, less that ten acres may be affected and less than twenty-five thousand tons of ore or overburden per calendar year may be removed.

Mines that affect more than ten acres or extract more than twenty-five thousand tons of ore or overburden are required to receive a Large Scale Mine Permit.

While most traditional mining will occur under either a Small Scale Mine Permit or a Large Scale Mine Permit, **South Dakota law makes a special provision for what has been known as a sand and gravel mining which is done under a Mine License**.

- The minerals which may be mined under a Mine License are limited, but currently, **the Mine License covers the extraction of pegmatite materials. SDCL 45-6-65, which describes the Mine License, specifically states in part, " [a]n operator shall obtain a license to mine for sand, gravel, rock to be crushed and used in construction, pegmatite minerals** or for limestone, iron ore, sand, gypsum, shale, pozzolan, or other materials used in the process of making cement or lime … "

The mining of lithium from pegmatite materials requires only a state Mine License.

The Mine License does not impose a maximum on the amount of ore that may be extracted or acres affected. Reclamation under the Mine License is secured by one $20,000 statewide surety bond. Each Mine License may include multiple mine sites / locations. For each mine location, the License holder must report, on an annual basis, the "tonnage of material removed, a map showing the areas mined, the areas reclaimed, and the acreage of each". DANR will send a form for reporting to the license holder on an annual basis. Although there are annual tonnage reporting requirements, there is no limit on the amount of extraction under a Mine License.

Drilling and mining licenses for pegmatite deposits on patented claims in the Custer County are generally granted within 60 days and are not subject to federal government regulations.

Terms of Agreement

During the 3-year access phase of the arrangement the Company is to pay the Vendor as follows:

- Year 1: Shares to the value of USD140,000, to be issued at the greater of the 7-day volume weighted average price (VWAP) of Shares traded on the ASX immediately prior to the Commencement Date and AUD$1.

- Year 2 & 3: At the election of the Optionor, USD$140,000 cash or that number of Shares which is equal to USD$140,000 divided by the greater of the 7-day VWAP of Shares traded on the ASX immediately prior to the first anniversary of the Commencement Date and AUD$1.

During the Access License Period, the Optionee may elect to exercise the Option by paying the Optionor as consideration for the exercised Option, a single lump-sum payment comprising the total value of USD$1,000,000 plus the balance of the outstanding amounts owing under the Access License Fees (if any).

ENDS

This announcement was approved for release by the Board of Iris Metals.

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Forward looking Statements:

This announcement may contain certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with exploration, estimation of resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to IRIS or not currently considered material by the company. IRIS accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

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About IRIS Metals (ASX:IR1)

IRIS Metals (ASX:IR1) is an exploration company with an extensive suite of assets considered to be highly prospective for hard rock lithium located in South Dakota, United States (US). The company's large and expanding South Dakota Project is located in a mining friendly jurisdiction and provides the company with strong exposure to the battery metals space, and the incentives offered by the US government for locally sourced critical minerals. The Black Hills have a long and proud history of mining dating back to the late 1800s. The Black Hills pegmatites are famous for having the largest recorded lithium spodumene crystals ever mined. Extensive fields of fertile LCT-pegmatites outcrop throughout the Black Hills with significant volumes of lithium spodumene mined in numerous locations.

To learn more, please visit: www.irismetals.com